

MOJAVE DESERT

AIR QUALITY MANAGEMENT DISTRICT



Call for Projects

On-Road Heavy-Duty Vehicles

San Bernardino County

The Carl Moyer Memorial Air Quality Standards Attainment Program
(Third Round)

April 8, 2002

14306 Park Avenue
Victorville, CA 92392-2310
Phone (760) 245-1661 FAX (760) 245-2022

The Carl Moyer Memorial Air Quality Standards Attainment Program Call for Projects – On-Road Heavy-Duty Vehicles San Bernardino County

I. PURPOSE

The Mojave Desert Air Quality Management District (MDAQMD) requests applications for projects under the Carl Moyer Memorial Air Quality Standards Attainment (Carl Moyer) Program. The objective is to achieve emission reductions from heavy-duty vehicles, off-road vehicles and equipment operated within MDAQMD. The emission reductions will be achieved through the deployment of low-emission engines or retrofit technologies that are real, surplus and quantifiable and consistent with the Carl Moyer Program Guidelines.

II. INTRODUCTION

The California Air Resources Board (CARB) is administering the overall Carl Moyer Program effort and has developed program requirements and criteria. Former Governor Wilson and the State Legislature authorized the first round of Carl Moyer Program funding in FY 98-99, and Governor Davis and the Legislature authorized second and third rounds in FY 99-00 and FY 00-01, respectively.

As the third round of the Carl Moyer Program is implemented, grants will continue to be issued locally by MDAQMD. The guidelines as amended by CARB on November 16, 2000 describe the project criteria for this round of funding. Additionally, MDAQMD has obtained additional funding for the local Carl Moyer Program from the federal Congestion Mitigation/Air Quality (CMAQ) Program. The use of this CMAQ funding is limited to on-road heavy-duty vehicle projects within San Bernardino County.

This Call for Projects sets forth the procedures for applying for Carl Moyer funds for on-road heavy-duty vehicles operating primarily within the San Bernardino County portion of MDAQMD (the desert portion of San Bernardino County). Please contact MDAQMD with questions about jurisdiction, or if you need the Riverside County Carl Moyer on-road application or the application for any other Carl Moyer category. Up to **\$1,966,000** is available to San Bernardino County on-road projects.

To expedite program implementation, projects potentially eligible for Carl Moyer Program funding will be evaluated by MDAQMD staff and funded on a first-come, first-served basis if they meet the Carl Moyer Program criteria. In the event the total amount of the proposals received in the first five MDAQMD business days of the program's opening exceeds the total amount of funds available for the Call, the Mobile Source Emission Reductions Committee will be convened and the projects subjected to competitive review and award by the Governing Board. After the initial award, if funds remain, staff may award eligible projects on a first-come, first-served basis until all of the available funds are committed. The APCO will execute

agreements for approved projects.

Projects should be designed to ensure that the emission reductions expected through the deployment of low-emission engines under this program are real, surplus, and quantifiable. MDAQMD intends to retire all emission reductions resulting from funded projects as part of meeting air quality attainment goals.

III. SCHEDULE

All dates are 2002 unless otherwise noted.

<u>DATE</u>	<u>EVENT</u>
April 8	Call for Projects available
May 20, 8:00 a.m.	Earliest date/time applications will be considered for funding
May 28, 5:00 p.m.	Applications received to date will be totaled; if the total amount requested from the eligible projects exceeds \$1,966,000, these projects will be competitively reviewed

Dependent upon the total dollar amount of the initial applications received, different time frames and processes will apply. The schedules below cover each scenario.

Initial applications exceed available funds		Initial applications < available funds	
May 29-June 6	Competitive application review; Committee develops recommendations	May 29-October 11	Staff reviews applications and prepares recommendations to Governing Board
June 24	Governing Board approves or rejects recommendations	June 24-October 28	Governing Board approves or rejects recommendations
June 25-August 15	Contract preparation & execution	September 30, 5:00 p.m.*	Latest possible date/time applications will be accepted (*may be earlier date if all funds allocated earlier)
		June 25-December 16	Contract preparation & execution

IV. ELIGIBLE PROJECTS/SELECTION CRITERIA

The following is a brief overview of the selection criteria for the on-road heavy duty vehicles project category. Applications will be subject to the criteria in CARB's Guidelines. The on-road heavy duty vehicle guidelines are available on MDAQMD's web site at www.mdaqmd.ca.gov. To request a hard copy of these guidelines, contact the MDAQMD at (760) 245-1661, ext. 5706.

- New vehicle purchases must provide at least a 30 percent NO_x emission reduction and repowers must provide at least a 15 percent NO_x emission reduction compared to baseline NO_x emissions. For retrofit projects, the retrofit kit must be certified to reduce NO_x emissions by at least 15 percent;
- Reduced-emission engines or retrofit kits must be certified for sale in California and must comply with durability and warranty requirements. Qualified engines could include new CARB-certified engines, CARB-certified aftermarket part engine/control devices, or engines with CARB-approved experimental permits;
- Funded projects must operate for a minimum of 5 years and at least 75 percent of vehicle operation must occur in MDAQMD (or award may be reduced proportionally); and
- Projects must meet a cost-effectiveness criterion of \$13,000 per ton of NO_x reduced.
- The maximum acceptable project life for calculating on-road project benefits is as follows:

	Default without documentation	Default with documentation
School buses at least 33,000 GVWR - New	20 years	N/A
Buses at least 33,000 GVWR - New	12 years	N/A
Other On-road – New	10 years	15 years
Other On-road - Repowers	7 years	15 years

In addition to the above criteria, any proposals for fuel or engines technologies not certified by CARB, or falling outside the categories specifically discussed in this Call, will be referred to CARB for assistance in evaluation and determination in meeting the requirements of the Carl Moyer Program.

Projects required as mitigation by an environmental document under the California Environmental Quality Act or National Environmental Policy Act, and projects to comply with or implement a mandatory requirement of an existing Federal, State, or AVAPCD regulation, will not be considered for funding under the Carl Moyer Program.

Special Note: Projects funded via the Carl Moyer Program cannot generate Emission Reduction Credits (ERCs) pursuant to MDAQMD Regulation XIV or be used for offsets pursuant to Regulation XIII.

V. APPLICATION SUBMITTAL REQUIREMENTS

Proposers must complete the appropriate application forms, which are provided in Attachment A and which may also be accessed on MDAQMD's website at www.mdaqmd.ca.gov. All applications must follow the directions below and all requested information must be supplied:

- Applications will not be considered for funding until 8:00 a.m. on May 20, 2002. Any applications received earlier will be held until this date.
- Proposals should be directed to:

Jean Bracy, Director, Administrative Services
Mojave Desert Air Quality Management District
14306 Park Avenue
Victorville, CA 92392-2310

Disposition of Proposals - MDAQMD reserves the right to reject any or all proposals. All proposals become the property of the MDAQMD. Proposals are valid only during the current funding cycle that the proposals are submitted.

Modification or Withdrawal - Once submitted, proposals may not be altered except at the request of MDAQMD. Additional information will not be accepted after the proposal is submitted. Proposers should inform MDAQMD immediately if there is need to withdraw a proposal.

Grounds for Rejection - A proposal may be rejected if:

- It is received outside the exact time frames set for receipt of proposals.
- It is not received at the specified location.
- It is not signed by a responsible representative of the proposer.
- The proposal does not meet the criteria set forth in CARB's guidelines.
- MDAQMD staff or the Mobile Source Emission Reductions Committee determine that the project is ineligible.

VI. FUNDING LIMITS

The Carl Moyer Program is intended to fund the differential cost only between existing technology and low emission technology. In no case will funding exceed \$13,000/ton of NO_x reduced. For new heavy-duty vehicle purchase projects, funding is limited to the incremental cost of purchasing a new vehicle that meets the optional NO_x emission credit standard compared to a conventional vehicle that meets the existing NO_x emission standard. For vehicle repower projects, the cost to be funded is the difference between the total cost of purchasing and installing the new, emission-certified engine and the total cost of rebuilding the existing engine. For engine retrofit projects, the full installed cost of the retrofit kit will be funded. Cost which are not considered eligible for Carl Moyer funds include infrastructure and maintenance costs. Limited funding for incremental costs of alternative fuels may be available subject to CARB approval, but any such support must be included in the cost effectiveness calculation.

NOTE: In the event that applications are subject to competitive review by the Mobile Source Emission Reductions Committee, some applications may be reduced in scope and/or funding level so that a greater number of applications may be approved. The Committee reserves the right to recommend for approval to the MDAQMD Governing Board only a portion of the proposer's scope of work and funding request. In this case, the proposer may be requested to submit a revised work statement, schedule of deliverables, and cost breakdown.

VII. CONTRACT PREPARATION AND FUNDS DISTRIBUTION

Contract preparation for Carl Moyer Program projects will begin immediately upon approval of projects by MDAQMD staff and will be reviewed by both the District Counsel and the Director of Administrative Services. Those projects that are chosen for funding will be required to complete a contract with the MDAQMD as a condition of receiving funds. A copy of the basic contract provisions is attached as Attachment B, and all grantees must accept these provisions as a condition of receiving funds. Projects must be completed (purchase order issued) by June 15, 2003.

Prior to receiving any funds, the MDAQMD will provide the grantee with one final copy of the signed contract and written instructions on how to request funds. Funds will be released on a reimbursement basis. Furthermore, prior to receiving any funds, the grantee must provide the MDAQMD with the following documents:

1. Verification of appropriate signing authority. The signing authority must be the person authorized in the contract as the person who can act on all fiscal matters on behalf of the funded agency.
2. Verification of all insurance requirements identified in the contract. If self insured, a letter from a risk manager or the like will be acceptable.

The contract will require the applicant to perform adequate record keeping to substantiate the emission reductions associated with the project. The scope and duration of necessary record keeping will vary depending upon the nature of the project, but will be based upon the engine life identified in the application. The contract will also include requirements for monitoring and reporting by the proposer. The MDAQMD reserves the right to conduct a fiscal audit to ensure appropriate expenditure of the Carl Moyer funds.

Proprietary Rights - Applicants wishing to propose the use of proprietary data developed solely at their own expense should clearly identify such data and the restrictions on its use in their proposals.

VIII. AUDIT PROCEDURES

Any entity that receives funds from the Carl Moyer Program may be subject to an audit of each project funded. The audit may be conducted by MDAQMD staff or by an independent auditor selected by MDAQMD. The purpose of the audit will be to determine if the funds were used in a manner consistent with the Carl Moyer Guidelines and contract terms.

If MDAQMD determines that the funds were expended in a manner contrary to law or not in accordance with contract provisions, MDAQMD will notify the contractor of the determination, and the MDAQMD Governing Board will hold a public hearing at which the contractor may present information related to the expenditure of funds. After the hearing, if the Governing Board determines that the contractor has expended the funds in a manner that is contrary to law or not in accordance with contract provisions, MDAQMD shall withhold monies from the

contractor in an amount equal to the amount that was inappropriately expended. MDAQMD may instead choose to seek repayment of funds inappropriately expended.

IX. IF YOU NEED HELP

MDAQMD staff members are available to answer questions during the application preparation period. Please direct inquiries to Cynthia Ravenstein, Transportation and Small Business Coordinator, at (760) 245-1661, ext. 5706.